GOVERNMENT OF INDIA
MICRO,SMALL AND MEDIUM ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:184
ANSWERED ON:25.04.2016
Impact of MNC on MSME
Owaisi Shri Asaduddin

Will the Minister of MICRO,SMALL AND MEDIUM ENTERPRISES be pleased to state:

(a) whether the Government has assessed the impact of the multinational companies on small and medium cottage industries, if so, the details and outcome thereof;

(b) the number of such small and medium industries closed as per the list of census of Registered MSMEs;

(c) whether Government has assessed the impact of increased FDI in retail sector on these industries, if so, the details thereof ; and

(d) the steps taken / being taken by the Government to protect and promote the said industries in the country ?

Answer

MINISTER OF STATE IN THE MINISTRY OF
MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI GIRIRAJ SINGH)

(a): Government assesses impact of the multinational companies on small and medium cottage industries through periodic consultations with stake holders such as Industries Associations.

(b): Information on closed Micro, Small and Medium Enterprises (MSMEs) is collected by periodically conducting All India Census of the sector. According to the last Census (Fourth) in which data was collected with reference to base year 2006-07, the number of closed MSMEs in Registered Sector was 4.96 lakh.

(c): Foreign Direct Investment (FDI) in retail sector has been opened in a calibrated manner. The details of total FDI inflow in the retail sector from April 2000 to February 2016 is given in Annexure. Further, no study has been conducted by the Government on the impact of FDI in retail sector.

(d): The Government is implementing several schemes / programmes, which include National Manufacturing Competitiveness Programme, Credit Guarantee Scheme, Credit Linked Capital Subsidy Schemes, Performance and Credit Rating Schemes, Cluster Development Programme, etc., for the promotion and development of MSMEs and to enhance their competitiveness and productivity. In addition, the Ministry has notified a framework for Revival and Rehabilitation of MSMEs (June 2015), in exercise of the powers conferred under section 9 of the Micro, Small and Medium Enterprises Development Act, 2006 in order to focus attention on the issues of addressing sickness and revival of MSMEs, pending a detailed revision of the legal framework for resolving insolvency/bankruptcy.